

M

est. 11-27-100,000-21-5-53.

1948

Development (~~1954~~) Department.

15. SERIES.

G.O. No. 3992

Dated 29th July 48

[Despatch Abstract.]

Industries - Industrial Panels - Panel on Sugar, Alcohol and Food Yeast
Industries - Final Report - Recommendations. - Papers Recorded

GOVERNMENT OF MADRAS
Public(P &D) III Deptt.

Letter No.4098(P&D III)/46-17.

Fort St. George,
Madras-9,
9th June 1947.

To
The Secretary to the Govt. of India,
Department of Industries and Supplies,
(Planning Branch), NEW DELHI.

Sir,

Sub: Industries - Post-War Development - Panel on
Sugar, Alcohol and Food Yeast Industries - Final
Report -

Ref: Your letter No.SAF_6(5)/46 dated 15-1-1947.

The Government of Madras have considered the recommendation contained in the final report of the Panel on Sugar, Alcohol and Food Yeast industries forwarded with your letter cited. As far as the Power Alcohol industry is concerned, the Government of Madras regret to note that the case for starting of new factories in this Province for the production of Power Alcohol has not been dealt with sympathetically.

The panel has recommended that a total of 20 million gallons of power alcohol per annum should be produced for India as a whole from molasses by the end of the next five years. It has also recommended that the standard distilleries of one million gallons capacity should be situated mostly in the United Provinces and Bihar which are the main sugar producing areas and that smaller units of half a million gallons capacity might be allowed in special areas having a smaller output of molasses. As far as this Province is concerned, the Panel has recommended the allotment of two distilleries both for Orissa and Madras each capable of producing four lakhs of gallons of alcohol. One of these factories is to be located in Vizagapata for the two Provinces and the other at Nellikuppam in the South Arcot District.

The Government of Madras consider that the allotment of only two units to Madras and Orissa with capacity to produce four lakhs of gallons of alcohol each will be sufficient for the utilisation of the entire quantity of molasses that will be produced in this Province. Further the quantity of alcohol that will be produced by the proposed two units will not be sufficient to meet even the minimum needs of this Province so to make the Province self-sufficient. The Panel has reported that a mixture of 20% alcohol and 80% petrol is most suitable for all motor vehicles than straight petrol and that the use of this mixture does not require any alternation in the carburettor and the engine settings. As far as this Province is concerned, import of petrol amounted to 22.1 million gallons during 1930-40. To secure a mixture of 20% alcohol and 80% petrol, the Province should produce about 4 million gallons of alcohol to make it self-sufficient. With the increase of inter-provincial trade and the construction of new roads, it is estimated that the demand for motor fuel is likely to exceed pre-war consumption by at least 20% for the whole country. So the requirements of the Province may be taken to amount to nearly 5 million gallons. Assuming that from one ton of molasses 60 gallons of alcohol will be produced, this Province would require 84,000 tons of molasses to produce the above estimated quantity of 5 million gallons of alcohol.

The present annual production of molasses in this Province is estimated to be about 30,000 tons while the present cane crushing capacity of the existing mills in the Province is estimated at 3,050 tons per day. The Government of

n.t.d

of India have allotted to this Province, Sugar Mills quota which is nearly treble the existing capacity. With the starting of the new mills and the expansion of old ones, the cane crushing capacity of the mills in the Province is expected to be increased to 9,050 tons. When this target of cane crushing capacity is reached, the quantity of molasses that may become available in this Province will be about 90,000 tons. By diverting this quantity of molasses, this Province can easily produce 5.4 million gallons of power alcohol as against the estimate requirements of about 5 million gallons for this Province. As against this, the Panel has recommended only two distilleries for Madras and Orissa with a capacity of four lakhs of gallons each. It will therefore be seen that there is large scope for the allotment of more distilleries to this Province with reference to the anticipated production of molasses. If more units are not allotted to this Province, the surplus molasses available in the Province will be wasted as before and the Province will have to depend on imports for its requirements of alcohol. In the circumstances the Government of Madras trust that the Government of India will take into consideration these points before coming to final conclusions on the recommendations of the Panel and agree to the allotment of more distilleries to this Province.

I am to request that the action taken by the Government of India in the matter may be communicated for the information of this Government.

Yours obedient servant,

(Sd.) x x x
Secretary to Govt.

gs/27-7,

3

GOVERNMENT OF MADRAS
Development Department

Lr.No.4098 P&D III/46-29.

Fort St. George,
Madras-9,
29th November 1947.

To
The Secretary to the Government of India,
Ministry of Industry and Supply,
NEW DELHI.

Sir,

Sub: Industries - Post War Development - Panel on
Sugar, Alcohol and Food Yeast Industries -
Final Report.

Ref: (i) Madras Government's letter No.4098 Public
Final (P&D III)/46-17, dated 9-6-47.
(ii) Your letter No.48(21)IP/47, dated 2-7-1947.

I am directed to invite attention to this Government's letter cited and to say that this Government took the opportunity of the visit to Madras of the Hon'ble Minister for Industry and Supply and the Secretary of the Ministry of Industry and Supply and explained to them the great need for the location of a good number of distilleries in this Province in order to produce power alcohol. This question has become very urgent owing to the curtailment in the quantity of petrol allotted to this Province and the great need to utilise the available quantity of molasses for the production of power alcohol. The Hon'ble Minister for Industry and Supply agreed with this Government's contention that a larger number of distilleries should be started in this Province. I am accordingly directed to request that orders of the Government of India may be obtained on the proposals contained in this Government's letter cited and communicated to this Government as early as possible.

Your most obedient
servant,

(Sd.) x x x

Secretary to Government.

47.

GOVERNMENT OF MADRAS
Development Department

Lr.No.4098.P&DIII/46-433.

Fort St. George,
Madras-9,
D/22nd April 1948.

To
The Secretary to the Government of India,
Ministry of Industry and Supply, NEW DELHI.

Sir,

Sub: Industries - Power Alcohol - Manufacture -
Allotment of distilleries.

Ref: (i) Your Telegram No.48(I) IPR/48 d/13-3-1948.
(ii) Your " " No.48(I) IPR/48 d/1-4-1948.

I am directed to invite attention to this Government's letters No.4098 P&DIII/46-17 dated 9-5-1947, wherein the Government of Madras have stressed the need for the allotment of more distilleries for this Province. At present there are no distilleries in this Province manufacturing power alcohol in any appreciable quantity and, as already pointed out, the molasses available are being wasted. Pending allotment of more distilleries to this Province by the Government of India, the Government of Madras considered the question of planning the development of the power alcohol industry in this Province and have decided that there is scope for the establishment of five factories on a regional basis in each of the following five groups of districts with reference to the availability of molasses and consumption of petrol, with a total production capacity of about 20 lakh gallons of power alcohol per annum:--

- (i) Vizagapatam, West and East Godavari, Kistna, Guntur and Nellore.
- (ii) Anantapur, Cuddapah, Kurnool and Bellary,
- (iii) Chittoor, North Arcot and Salem,
- (iv) Madras, Chingleput and South Arcot, and
- (v) Southern Districts.

2. I am to request that the allocation of the 5 power alcohol units may kindly be expedited so as to enable this Government to proceed with the selection of the parties who should be permitted to start these factories.

Your obedient servant,

(Sd.) x x x,
Secretary to Government.

Copy

To:-

The Director of Industries and Commerce.

The Board of Revenue(Excise).

Copy to P & D II.

IMMEDIATE.

No.48(1)IRP/48.
Government of India.
Ministry of Industry & Supply.

New Delhi the 17th June 1948.

To
The Secretary to the Government of Madras,
Development Department,
Madras.

Subject:- Power Alcohol - Allotment of Distilleries.

Sir,

With reference to correspondence resting with your letter No.4098 Public (P&D III)/46-17 dated the 9th June, 1948, I am directed to state that the Government of India are taking steps to enforce the Indian Power Alcohol Act and are considering the allocation of the production capacity of power Alcohol in terms of gallons and not in terms of number of distilleries as recommended by the Power Alcohol Panel.

—
Yours faithfully,

(Sd.) x x
for Dy.Secretary to the Govt. of India.

6

From the Govt. of India No.48(1)IRP/48, dated 19-6-48.

The file deals with the report of the Panel on Sugar, Alcohol and Food Yeast industries. In regard to sugar and Power Alcohol industries, P & DII section are taking action separately. As regards Food Yeast industries, it is subd. that the E & P.H. Dept. are taking the necy. action. No further action is pending in this file. The papers may be recorded.

(Sd.) x x
29-7

G.O.Ms.3992, dated 29-7-1948.

Industries - Industrial Panels
Panel on Sugar, Alcohol and Food
Yeast industries - Final report -
Recommendations - Papers -
Recorded -

/True Copy/
—

P. S. R. Srinivasan
Superintendent,
Madras Record Office.

gs/27-7-

Dis
29-7.